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October 11, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF EXTENSION OF AGREEMENT FOR HOMELESS SOCIAL
SECURITY INCOME/SOCIAL SECURITY DISABILITY INSURANCE
DEMONSTRATION PROJECT
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Approval to extend the term of the Agreement with JWCH Institute, Inc. for medical, mental health and case management services for the demonstration project known as Benefits Entitlement Services Team for the Homeless Project.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Director of Health Services (Director), or his designee, to execute Amendment No. 2 to Agreement No. H-704150 with JWCH Institute, Inc. (JWCH), to extend the term of the Agreement, effective upon Board approval, through September 30, 2013, and increase the maximum obligation by \$910,000 for the first contract year authorized under this Amendment, fully offset by Homeless Prevention Initiative (HPI) savings, for a revised total maximum obligation of \$2,710,000. This funding will be used for the continued provision of medical, mental health and case management services to homeless individuals who seek assistance in obtaining Supplemental Security Income (SSI) and/or Social Security Disability Insurance (SSDI) benefits as participants in the Benefits Entitlement Services Team (B.E.S.T.) Project.
2. Delegate authority to the Director, or his designee, to execute two six-month term extensions, at no cost and with no change in the maximum

obligation, subject to review and approval by County Counsel.

3. Delegate authority to the Director, or his designee, to execute future no cost amendments to: revise or incorporate provisions consistent with all applicable federal and State law and regulations, County Ordinances, and Board policy; and to make appropriate changes to the Agreement to add clarity, and/or correct errors and/or omissions, subject to review and approval by County Counsel.

4. Delegate authority to the Director, or his designee, to: a) make adjustments between program budget items and categories and roll forward any unexpended funds to improve operational efficiencies; and b) improve and/or increase program deliverables in the Statement of Work and Performance Target Matrix, as needed, to adapt to changing program needs identified by the Department of Health Services (DHS) with input from JWCH.

5. Delegate authority to the Director, or his designee, to sign Amendments to the Agreement that authorize an increase of no more than 10 percent, that will not exceed a maximum increase of \$271,000, contingent upon available funding from federal, State, or County funding sources and subject to prior approval by County Counsel, with notice to your Board and the Chief Executive Office.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation will allow the Director, or his designee, to execute an amendment (substantially similar to Exhibit I) to extend the term of the current Agreement with JWCH for two years. However, it will only increase the Agreement's total maximum obligation by \$910,000 to cover program costs for one year of the two year Amendment, to \$2,710,000. There is currently no funding for the second year of the Amendment and if funding is not available for the second year, DHS will take the needed steps to terminate the agreement. During the first year of the Amendment, data will be collected to assess whether the program generates sufficient revenue or cost avoidance to justify requesting funding for the second year of the Amendment.

The current agreement with JWCH was originally set to expire on September 30, 2011. DHS exercised its delegated authority to execute a no-cost six month extension for the period of October 1 through March 31, 2012 to ensure services continued to be provided while the amended scope of work was finalized by JWCH and DHS staff for this program extension request. The proposed Amendment will supersede this extension.

According to the Los Angeles Homeless Services Authority's 2011 Homeless Count, Los Angeles County has approximately 51,000 homeless individuals. Of these, 55 percent report having a disabling condition and persons aged 55 and older now make up 34 percent of the chronic homeless population. However, many do not receive SSI/SSDI benefits or have had their applications denied. A primary barrier to homeless individuals receiving benefits to which they are otherwise entitled is their inability to document their disabilities.

The services provided by the selected contractor, JWCH, through the B.E.S.T. Project, have been able to overcome this barrier by identifying homeless individuals who may be entitled to SSI/SSDI benefits and providing health and mental health services through a multidisciplinary team approach. This approach provides needed care coordination to the homeless individual while also providing supporting documentation of the patient's disability and assistance in the preparation of the disability

application. The multidisciplinary team consists of a physician and psychiatrist with expertise in providing care to the homeless individual while identifying and documenting disabilities, as well as case management staff who coordinate services needed to engage and maintain the stability of the homeless individuals during the benefits application process. Once the SSI/SSDI benefits are received, the patient is referred to a medical home. In order to ensure the appropriate level of care is provided and to assist the patient to obtain the benefits to which they are entitled, the program also facilitates retrieval of past medical and mental health records to support participants' SSI/SSDI applications. Since the project began in December 2009, the B.E.S.T. Project has provided services to over 950 individuals of which 576 SSI/SSDI applications were submitted. Of these 576 applications, the project has demonstrated an 85 percent SSI/SSDI approval rate as of June 30, 2011. Based on this outstanding performance, the B.E.S.T. Project received the highest award granted by the Social Security Administration - Region IX, a Regional Commissioner's Citation on April 26, 2011.

Additional components and/or program enhancements for the additional term will be to improve linkages for program participants to an array of housing options, seeking appropriate reimbursement for historical County costs for participants prior to application dates where possible and the training and mentoring team members will provide to other community partners so program concepts can be voluntarily adopted by additional agencies.

Approval of the second recommendation will allow DHS to extend the duration of the B.E.S.T. Project services should operational efficiencies and/or leveraged reimbursements result in the ability to continue services under this Agreement beyond the extension period ending September 30, 2013.

Approval of the third recommendation will allow DHS to amend the Agreement for regulatory or statutory changes and to implement changes to conform to evolving federal and State law.

Approval of the fourth recommendation will allow DHS to make programmatic adjustments between budget items and/or categories and roll forward any unexpended funds to improve operational efficiencies and/or to revise the project deliverables as a result of ongoing operational improvements.

Approval of the fifth recommendation will allow the Director, or his designee, to increase the maximum obligation of the Agreement, up to a maximum of 10 percent, not to exceed a total of \$271,000 over the term of the Agreement, should additional funds be needed for unforeseen expenses and/or unanticipated increases in services, contingent upon available funding.

Implementation of Strategic Plan Goals

The recommended actions support Goal 1, Operational Effectiveness, and Goal 4, Health and Mental Health of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The additional funding for the B.E.S.T. Project, at a cost of \$910,000, is included in the Health Services Administration Fiscal Year 2011-12 Adopted Budget and will be requested in future fiscal years.

The B.E.S.T. Project is 100 percent offset by the HPI savings.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On September 15, 2009, your Board approved an Agreement with JWCH to implement the Homeless SSI/SSDI Demonstration Project, subsequently called the B.E.S.T. Project, for the period October 1, 2009 through September 30, 2011. DHS has exercised one six month no cost extension in the original agreement to complete initial program evaluation and prepare additional modifications to program structure and goals to better evaluate sustainability and cost recovery capability.

County Counsel has approved Exhibit I as to use.

CONTRACTING PROCESS

DHS determined there was a need for a short term demonstration project that provided a multidisciplinary team approach through a Federally Qualified Health Center (FQHC) rather than attempting to implement the program directly. A Request for Applications (RFA) was released on March 27, 2009. There were three respondents. The project proposed by JWCH Institute, Inc. was selected for funding based on the highest point ranking by the evaluation committee due to its innovative design, extensive experience in providing services to the priority target populations, and the ability to serve potential participants from any community in the County through multiple site service delivery. On September 15, 2009, your Board approved a contract for two program years.

The B.E.S.T. Project demonstration goal of proving that a multidisciplinary team deployed across multiple service sites would achieve high SSI/SSDI application success rates has been realized in the first two years. However, DHS does not have sufficient fiscal sustainability data to determine whether it can recommend continuation of the program. The third and potentially fourth year of the demonstration will be used to analyze several key data elements to determine the program's fiscal sustainability by examining the following: a) the amount of cost avoidance achieved by the Department by reducing emergency room use and inpatient admissions for program participants, which in turn would justify the continued investment by DHS; b) the effectiveness of recent program changes to ensure maximum recoupment of program costs by JWCH through retroactive Medi-Cal payments and Medi-Cal revenue from visits occurring after SSI/SSDI approval; and c) whether the B.E.S.T. Project design can be effectively integrated into other Community Partners' scopes of work to allow for a re-solicitation of this program to capture a larger provider base. The cost avoidance analysis will also determine DHS' minimum threshold for competitively soliciting contracts for the B.E.S.T. approach to other providers as well as provide the basis for DHS to determine whether or not it is feasible to directly operate the program. Funding for the fourth and final demonstration project year will be requested only if the analysis concludes either that sufficient cost recovery revenue will be generated to provide adequate funding for the program, the cost avoidance or future savings justifies a departmental investment to continue the program as part of DHS Community Partner programs, or if additional HPI can be identified.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will ensure the continued provision of SSI/SSDI benefits assistance to the County's mentally and physically disabled homeless individuals.

The Honorable Board of Supervisors

10/11/2011

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is written in a cursive, flowing style.

Mitchell H. Katz, M.D.

Director

MHK:mj

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors